FORWARD

In all of my years in lending, I can honestly say Mickie Giacomini is a standout realtor. In addition to her vast knowledge of the local real estate industry, she consistently demonstrates an honesty and integrity not often seen in real estate agents.

I've watched her go above and beyond to assist her clients and spend countless hours in and out of the office promoting her listings and reaching out to clients.

She is also heavily involved in the community — in fact, you'd be hard-pressed to find someone more well-connected or respected in the Greater Sacramento area. Mickie grew up in the area and decided to stay here when she put down roots with a family of her own. In short, she knows the area she's selling, and that's something you just can't teach.

If you're currently on the fence about hiring Mickie Giacomini or considering any other agents, I highly suggest you stop your search. No one has more experience, (over 30 years in consumer/investor real estate), or will work harder to sell your home than Mickie. With her on your side, you simply can't lose.

Sincerely,
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Chapter 1
Introduction

The largest investment most people make is their home. That makes selling a home — whether it's a single-family residence, duplex, or condominium — the single largest, most complex transaction a person will ever undertake. It involves new terms and concepts, financial acumen, and larger figures than normally dealt with.

There are also many emotions at play that can affect good judgment. Many sellers think, *Surely, my home where I raised my children and made so many memories is worth more than the bricks and mortar it contains.* Real estate transactions involve dozens of decisions and substantial investment in homeowners' time, energy, and money, and emotions almost always lead to problems in a sales price negotiation.

The home seller's objective is to find that home shopper who cannot resist buying your house at the highest price. To do this, you need to offer potential buyers a striking home sales presentation that outshines other homes on the market. It requires making a fantastic first impression, creating for the buyers an instant feeling that they are traveling up the front walkway of *their* new home for the first time, not visiting someone else's. It's about falling in love at first sight, from the curb, in those initial seconds.

Most sellers do not venture alone into selling their home. They find it better to have an experienced real estate professional with whom they are comfortable. This book was written to provide some of that comfort without the direct sales stressors of person-to-person contact.

I want the prospective or active home seller to independently achieve a better understanding of the home-selling process. I've also provided actionable insight into how best to market your home, avoid critical mistakes, and maintain a proper focus.

Let this book be your go-to resource for information, strategies, and techniques that can be put to work to sell your home quickly at the best price. Take time looking through the chapters and master the secrets of successful home sellers. For example, discover why comparable homes sell for considerably different prices.

Be ready to sell by knowing your home's market value, best listing price, negotiation tactics, and improvements that offer the best Return on Investment (ROI).

My sincere hope is that this book will help you make the most of your time and efforts to sell your home. In Part 1, the process and importance of preparing your house for sale is examined: how to present to get top offers, the "80/20 rule," along with which upgrades will make the most difference in ROI.

Part 2 delves into marketing your home with a look at costly mistakes, avoiding those mistakes, and finding qualified buyers. In Part 3, we examine the critical topic of negotiations — what to expect, and how to conduct them — and finish with a look at what engaging a real estate professional brings to your real estate sale transaction.

After you learn the process, requirements, and tips, you will see that an experienced, financially astute real estate professional can vastly cut the time and raise the economic value of your transaction.

Reading this book is your first step to selling your home for the best price in the shortest time. After you read it, I stand by to assist you with a Comparative Market Analysis and a solid marketing plan to fit your budget and lifestyle.

Chapter 2
First Steps to Home Selling

Location! Location! Location! is the most crucial consideration in real estate and a major factor, if not the predominant one, in real estate pricing. Novice (and not-so-novice) home sellers alike must know the considerations that determine a home's price.

Setting the price at which to sell your home is not a simple formula, nor totally mathematical. Many elements factor into the decision. Throughout this book, you will read examples of similar and similarly situated houses that sold for very different prices, along with the reasons for the disparities. A calculated home value is not necessarily what you believe your home is worth. Recognizing this helps avoid overpricing, a major factor that leaves homes languishing or unsold.

Familiarity with the real estate terms *market value, appraisal value,* and *assessed value* can save disappointment and frustration, and allow the home seller to meaningfully engage in setting a home's listing price.

The most used definition of *market value* is "the most probable price a property should bring in a competitive, open market, under conditions requisite to a fair sale." Essentially, this is a pre-negotiation opinion of what a house should bring in its local market, i.e., its geographical area, generally an area such as a suburb or neighborhood.

Appraisal value is an evaluation of a property's worth at a given point in time that is performed by a professional appraiser. Appraised value is a crucial factor in loan underwriting and determines how much money may be borrowed and under what terms. For example, the Loan to Value (LTV) ratio is based on the appraised value. Where LTV is greater than 80%, the lender generally will require the borrower to buy mortgage insurance.

Assessed value is the amount local or state government has designated for specific property and frequently differs from market value or appraisal value. This assessed value is used as the basis of property tax and when a property tax is levied. The assessed value of real property is not necessarily equal to the property's market value. Approximately 60% of U.S. properties are assessed higher than their current value.

WHAT IS YOUR HOME WORTH?

The first step in selling your home is knowing the difference between *value, worth,* and *price.* Let's examine the determining factors at work. Understanding those factors allows them to be leveraged. There are several ways a home's value is derived.

PROFESSIONAL APPRAISAL

Nothing determines the sale price of a piece of real estate but the price at which it *sells.* Houses are not same-priced identical cans of tuna on the grocery store shelf or shares of stock valued and traded every day on the stock exchange.

Real estate appraisal ("property valuation") is the process of developing a perspective of value for real property. This is the *market value* — i.e., what a willing, reasonable buyer would pay for the property to a willing, reasonable seller. Real estate transactions generally require assessments because they happen infrequently and every real property is unique in features and characteristics.

An appraisal helps in various decision points. The seller can use the appraisal as a basis for pricing. The buyer can use it as a gauge on which to base an offer. Lenders use appraisals to know how much money to credit to their borrowers.

The important factors in a house appraisal are:

- Dwelling type (e.g., one-story, two-story, split-level, factory-built)
- Features (including design) — materials used and the kind of structure present and how they were built
- Improvements made
- Comparable sales
- Location — type of neighborhood, zoning areas, proximity to other establishments
- Age of property
- Size
- Depreciation

Condition, of course, is a crucial factor in valuation. Location is also a factor; however, as property cannot change location, upgrades or improvements to a residential property often can enhance its value.

A professional appraiser should be a qualified, disinterested specialist in real estate appraisals, with expertise in your region. His or her job is to determine an estimated value by inspecting the property, reviewing the initial purchase price, and weighing it against recent sales with the same purchase price.

COMPARATIVE MARKET ANALYSIS BY A REAL ESTATE PROFESSIONAL

This type of home valuation is free from real estate professionals and more helpful than automated online offerings. It provides detailed information on each house sold in your area over the last six months, along with the final sale price. It also includes the specifics of all the houses for sale in your area, including the asking price. These homes are your competition. The real estate professional will also answer any questions and help you price your home realistically.

Along with an understanding of how the worth of a home is determined, the current market must be considered. By utilizing a professional real estate agent, you can rely on proven expertise to market your home at the best listing price. I will be happy to provide you with a Comparative Market Analysis.

Please refer to the last page of this book if you would like more information on how to request a free home valuation.

THE SECOND STEP
(SELLING YOUR HOME FOR MORE)

Prior discussion showed that there is no calculable certainty in setting the value of a home. There can be wide differences between the seller's assessed price, the asking or listing price (market value), and the price at which the home sells (sale price). Let's turn to what the homeowner/seller can do to elicit offers at, or even above, the listing price in a competitive market.

The seller's time, effort, and investment are the most important parts of the process. The seller's willingness to adequately prepare the home for presentation — and willingness to live in that pristine state for the time it takes to sell the property — will greatly affect both the sale period as well as the price at which the home sells.

A market in which homes normally sell in no more than six months of listing is considered balanced or neutral, which means a good number of homeowners are selling and buyers are purchasing; therefore, neither has an upper hand. A variable, for instance, like a major company entering — or moving from — the area will tip the scale toward homeowners to make a swift market or toward buyers to make a slow market. The typical selling time in a swift market might be 30 days, while that of a slow market may be up to nine months. Typically, any number below six months is considered a seller's market.

LIVING IN A FISHBOWL

A house on the market requires keeping the home in a constant "show-ready" condition, and changes in day-to-day life are inherent in the process. Sellers get unexpected phone calls at all hours from unrepresented prospects and buyers' agents to show the home, as well as frequent updates by phone, email, and text and show appointment scheduling messages from the listing agent. They also will likely deal with repair and reconditioning appointments and inspections. The house may be photographed for online, periodical, or brochure presentations.

There are repeated showings when the home first hits the market. Keep your home in pristine condition for showing to impromptu visitors — the perfect prospect might just drop in at dinnertime. (it is worth the exhaustion of doing so, once you get a buyer)!

CHILDREN (AND PETS) SHOULD
BE UNSEEN, UNHEARD

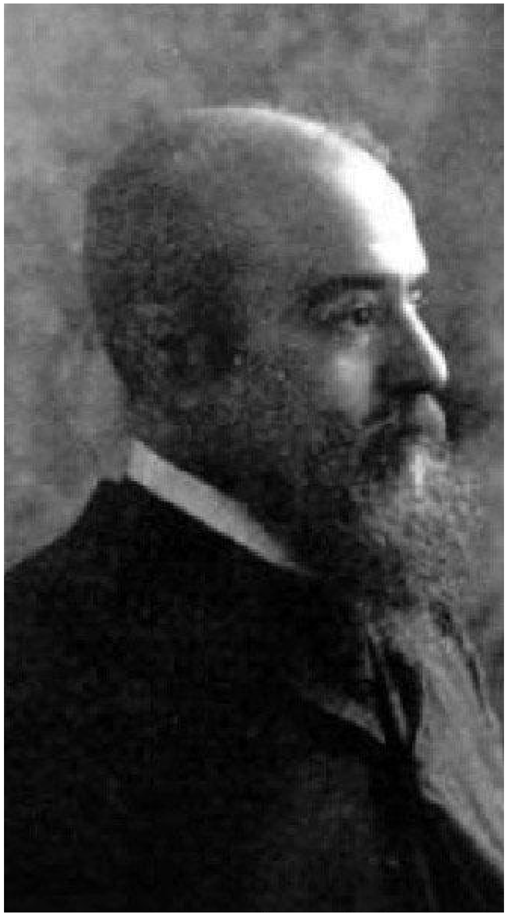
Children and pets are distractions for potential buyers, affecting their experience of your home. You should plan for your children to be elsewhere and your pets crated or leashed, and no toys lying about or dog hair on the sofa. The dishes should always be done and the kitchen sparkling.

The pressure of showing to everyone even mildly interested in looking (not necessarily buying) may come from the idea that the more your home is seen, the more quickly and easily your home will sell. Many real estate agents provide their clients with dozens of homes to consider without a clear picture of what the buyer wants. Low-interest traffic can be heavy and a burden on the seller’s time, energy, and resources.

Since a showing can take an hour or even hours out of your day, finding an interested buyer is what matters most. The home will be shown to many more uninterested buyers than interested buyers. How many times will you have to show your home? In an ideal world, your property would be shown to serious buyers only. However, many “Sunday afternoon window shoppers” exist in the real estate business.

That said, you shouldn’t waste your time trying to appeal to uninterested buyers. This is where planning, organizing, and the professional help of a qualified real estate agent enables you to handle even the most intimidating tasks without wasting efforts.

Chapter 3
Pareto's Principle

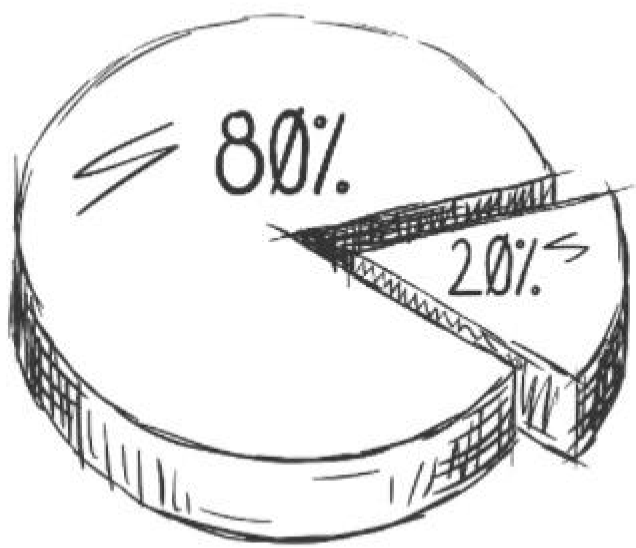


"Eighty percent of results will come from just twenty percent of the action." This is the Pareto principle, attributed to Italian economist and philosopher Vilfredo Pareto, who, in 1906, observed an intriguing correlation. He began work on the "80/20 rule" with the observation that 20% of the pea plants in his garden generated 80% of the healthy pea pods.

This observation caused him to explore more examples of uneven distribution. He discovered that 80% of the land in Italy was owned by just 20% of the population. He investigated different industries and found that 80% of production typically came from just 20% of the companies. His findings led to the concept that 80% of results will come from 20% of the action.
While it does not always come to be an exact 80/20 ratio, this imbalance is often seen in various business cases:

- 20% of sales reps generate 80% of total sales
- 20% of customers account for 80% of total profits
- 20% of the most reported software bugs cause 80% of software crashes
- 20% of patients account for 80% of healthcare spending

RELATING THE 80/20 RULE TO HOME SELLING



Understanding the 80/20 rule concept can save you time in selling your home. Applying the 80/20 rule, you stop trying to sell people on the entire home. Applying the rule, you can highlight the 20% of your home's features that make it special. The remaining 80% of your home still affects the buyer's decision, (in other words: do not neglect it), and in photographs, showings, etc. be sure to feature the elements that make your home special.

Keep in mind, your selling point won't be the common features your home shares with the other properties on the market. Instead, use your home's unique features to grab the attention of buyers who are interested in those distinctive attributes.

BUYER'S STORY

When Vince and Sue were shopping for a new home, Vince wanted an ocean view. They looked at many desirable properties but didn't find any that were right for them. Some were overpriced; others had obstructed views. The search went on for almost a year until they found an older home a short walk from the ocean.

The neglected exterior and dated interior were not encouraging, but when Vince stepped onto the third-floor balcony off the master suite, he was sold. Any shortcomings in wall color or fixtures faded away when he took in the view. He could now see the sunrise from his bedroom window every morning.

What 20% of the home caught the eyes of Vince and Sue? The magnificent third-floor view of the ocean!

SELLER'S STORY

When Cam and Kate listed their home, they needed a buyer who wasn't concerned that the house was on an unpaved road. Though the home was over 10 years old, the interior was updated with fresh, neutral wall colors and carpeting to look brand new. The towering trees and established yard gave the home a welcoming appeal.

The buyer had also looked at a home within miles of Cam and Kate's that had towering trees, as well as a koi pond and patio. This home was comparable in interior and exterior, but it was on a busy street.

What 20% of the home caught the buyer's eye and prompted him to choose Cam and Kate's home? The buyer loved the secluded country feel of the home. The 1.8-acre property was surrounded by pastures, with grand oaks dotting the landscape.

LOCATION MATTERS

A buyer paid extra for a townhouse because of its location in the complex overlooking woods instead of the parking area. Another seller took advantage of the fact that most of the surrounding homes didn't have yards; only a few shared a half-acre grassy area. An owner whose townhouse bordered this yard area sold his home for a higher price than other townhouses in the complex because he had a characteristic shared by fewer than 10% of others — in fact, he had the only available listing offering that feature. He pointed to that feature in marketing the townhome. With this attractive point of difference, the house sold for a higher price.

Another townhouse seller in the same complex found a different unique feature. Although she did not have a yard, she was still able to use location to her advantage. Her property backed up to a lake and fountain. This unique feature helped her to sell the townhouse quickly and for a better-than-average sales price.

THE 80/20 RULE IN ACTION:
BUYERS ARE SEARCHING FOR UNIQUE FEATURES

Decide upon, improve, and spotlight the unique features of your home in marketing copy, photographs, and showings. Do not spend much time explaining how the storage room can be converted to another full bath; instead, lead the dog-owning prospect to the fenced-off dog run in the unusually large backyard. If the home has a certain feature a buyer is specifically looking for, highlighting this aspect in marketing efforts will attract interested buyers willing to pay the asking price.

Each house will have its unique features. Here are some suggestions if you aren't sure of yours:

- Hilltop views or high vantage point, offering a spectacular view of the surrounding area
- Open fields frequented by wildlife
- Unobstructed views of sunrise and sunset
- Patios, decks, dog runs, garden areas, and gazebos — highlight items neighboring houses don't have, or differences in size or quality; that one vital feature could help you sell your home
- Location can set a property apart, even in the same area, adding value to a home on a cul-de-sac or corner lot
- A private location or lot partially concealed by trees
- A unique, shady, or larger backyard; a fenced backyard is a big selling point (If your yard can be fenced but is not, consider making that improvement.)
- Finished basement, large attic or garage, swimming pool, or anything else that makes your home stand out

Following the 80/20 rule can lessen time showing to people who aren't interested. Instead, you will be showing your home to buyers who are motivated to make a purchase.

You won't have to show as frequently. You also won't have to sift through low-ball offers from casual shoppers. Keeping this in mind, you must take the time to uncover your home's most attractive and unique features and improve them to their highest potential. Compare your house with others in the neighborhood to see what makes yours stand out. Work with that.

HOW THE 80/20 RULE APPLIES TO HOME SALES

An out-of-town home shopper with no specific requirements contacted a real estate agent to look at available homes for sale. The agent drove him from house to house. In each case, the buyer suggested offers 10% to 20% below the asking price without budging. As the day progressed, the agent's chances of finding a suitable home for the buyer were dwindling.

They stopped at one last house as the sun set. The exterior of the house was dated and the yard untended. This agent and her client had spent the entire day looking at houses that shared 80% of the same features. Nevertheless, once the buyer walked into this home, he wanted to offer the full asking price.

What set this house apart from the others? He wasn't too interested in the kitchen, bathrooms, and bedrooms. A bedroom was a bedroom, as far as he was concerned. He fell in love with the one remarkable feature of this otherwise uninspiring house.

The house sat on a hill with a beautiful view out a large window. As they entered the great room, the sun was setting below the distant tree line. That view sold the buyer. The remaining parts of the home could be improved.

The home buyer based his decision to buy on the window view from the hillside. The 20% of the home's features motivated him to offer full price on the spot. Such is the power of the 80/20 rule.

In some cases, the 80/20 rule may help people make a sale without even conducting a showing. The house in the following example had languished on the market for months. Unlike the previous home, this one was attractive.

It was a brand-new, custom-built home, yet it sat on the market for over seven months without a single offer.

The builder hired a real estate agent who knew the importance of finding that one special feature. He drove out to give the house a thorough investigation. He discovered what the property had that the competition did not. The house had a five-acre yard. Other houses being sold in the area had one- to two-acre lots.

Not only was the yard bigger, it was also more private than the other properties. The real estate agent marketed the property by highlighting the five acres. Because the house was no longer the main selling point, interest in the property increased.

Chapter 4
Relating The 80/20 Rule to Home Selling (aka: Creating Curb Appeal)

Understanding this concept can save you time and frustration in selling your home. When you use the 80/20 rule, you stop trying to sell people on the entire home. In applying the rule, you can highlight the 20% of your home's features that make it special. The remaining 80% of your home still affects the buyer's decision, so you don't want to neglect it, but you also don't have to spend a lot of time or money to improve it.

Your selling point won't be the common features your home shares with the other properties on the market. Focus on your home's unique features to grab the attention of buyers.

THE 80/20 RULE IN ACTION: BUYERS ARE SEARCHING FOR UNIQUE FEATURES

Spotlight the unique features of your home that set it apart from others on the market. You will attract interested buyers who are willing to pay the asking price.

What does your home or property have to offer that other homes in the area do not? Perhaps you have a relaxing patio or lush landscaping that will catch a buyer's eye — whatever you find, play it up, and the house will move.

POTENTIAL UNIQUE FEATURES

- **Hilltop views.** A high vantage point that comes with a spectacular view of the surrounding area.
- **Wildlife.** Many enjoy the beauty of being one with nature by watching birds, deer, and butterflies from their back porch.
- **Majestic views of sunrise/sunset.** There is nothing more awe-inspiring than bearing witness to the beauty of the colors of sunrise and sunset from your own backyard.
- **A beautiful patio.** Outdoor living is important to most buyers. A good-sized patio big enough to host a summer party might be just what your buyer is seeking.
- **Location, location, location.** Emphasize the safety, convenience, and future of your home's location. Today's buyers want great schools, easy commutes, and local amenities. Some will pay extra for a home based upon its location, especially if it has a yard area.

A buyer once paid extra for a townhouse simply because of its location in the complex. Most of the surrounding homes did not have yards, but a few shared a half-acre "yard area."

An owner whose townhouse bordered this yard area was able to sell his home for a higher price than other townhouses on the market. His home had a characteristic shared by fewer than 10% of the others. He had the only available listing offering that feature. With this attractive point of difference, the house sold for a higher price.

Another townhouse seller in the same complex found a different unique feature. Although he did not have a yard, he was still able to use his location to his advantage. His property backed up to a lake and fountain. This unique feature helped him sell his townhouse quickly and for a great price.

- **A private location.** Homes that sit far back on the lot, next to an empty lot, or partially concealed by trees appeal to buyers who want to unwind away from the sight and sound of neighbors and street noise.
- **A big, shady backyard.** If you have a larger backyard than your neighbors do, use that to your advantage. People like to have extra room for kids, pets, and entertaining, with lots of trees for shade.
- **A fenced-in backyard.** People with kids and pets flock to homes with fenced-in backyards.
- **Additional unique attributes.** You can also market a finished basement, large attic, an extra-large garage, swimming pool, hot tub, or anything else that makes your home stand out.

CAPITALIZING ON THE 20% DIFFERENCE AND MARKETING YOUR HOUSE'S BEST FEATURES

Follow the 80/20 rule and you will stop wasting time showing your home to people who are not interested. Instead, you will be showing your home to buyers who are motivated to make a purchase. You won't have to show so often, and you won't have to sift through lowball offers from casual shoppers. Take the time to uncover your home's most attractive and unique features, and make sure they shine. Compare your house with others in the neighborhood to see what makes yours stand out.

If it's a backyard pool, make sure it sparkles. If it's a veranda-style porch, clean off the grime and make sure it overlooks a well-manicured backyard. If you have a garden, work on it every day to make sure it is the most beautiful on the block. Every house has potential. It just takes a little creativity and elbow grease to get the unique features to stand out and draw the attention the 80/20 rule demands.

HOW THE 80/20 RULE APPLIES TO HOME SALES

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They stopped at one last house as the sun set. The exterior of the house was dated and the yard untended. This agent and her client had spent the entire day looking at houses that shared 80% of the same features. Nevertheless, once the buyer walked into the room, he wanted to buy the home for the asking price.

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In some cases, the 80/20 rule may help people make a sale without even conducting a showing. The house in the following example had languished on the market for months. Unlike the previous home, this one was not unattractive.

On the contrary, it was a brand-new, custom-built home. It sat on the market for over seven months, without a single offer.

The builder hired a real estate agent who knew the importance of finding that one special feature. He drove out to give the house a thorough investigation. He discovered what the property had that the competition did not: a beautiful five-acre yard. Other houses being sold in the area were on one- to two-acre lots.

Not only was the yard bigger, it was also more private than other properties. The real estate agent marketed the property, highlighting the five acres alongside the description of the house. Because the house was no longer the main selling point, interest in the property increased.

A buyer was so interested that he submitted an offer from 1,000 miles away. Fearing that someone else would buy it before he could, he bought it sight unseen. He didn't want to lose out on his "perfect" home. The sale was completed in 45 days.

The builder was amazed! His house had been on the market for close to eight months. That small percentage of the home's features was the selling point. The 80/20 rule unfolds again.

Learn how to apply this rule by leveraging a unique selling point, and you will not have to settle for less than your asking price. Buyers who fall in love with a home rarely offer a lower price.

By shifting focus to the five acres, the real estate agent captured the interest of buyers immediately. The house was no longer unsellable, but desirable.

Chapter 5
Staging with a Purpose

According to Wikipedia, home staging, or “real estate enhancement” is “the act of preparing a private residence for sale in the real estate marketplace. The goal of staging is to make a home appealing to the highest number of potential buyers, thereby selling a property more swiftly and for more money.”

This strategy is effective in any market. No matter what type of home property is being listed, this approach works. It applies equally to single-family houses, apartments, townhouses, and condos. Agents and sellers using this tactic have a greater chance of selling the property for more money. Home staging does take extra time and work, but the payoff is well worth the effort. Staging is one of the most effective marketing tools to sell homes for more money.

In today’s competitive real estate market, selling your home requires hard work and dedication. If you are a motivated seller, this is where you can bring your home to the marketing forefront. Creating an appealing, eye-catching home via strategic staging helps potential buyers envision themselves living in the home and has come to be known as the best investment of your time and effort when selling a home.

THE POWER OF STAGING A HOME:

Consider these statistics accordinging to a 2021 survey by National Association of Realtors®.

- 82% of buyers agents said a staged home made it easier for buyers to visualize the property as their future home.
- 31% of agents said that staging a home greatly decreased the amount of time it spent on the market.
- 23% of agents said staging a home can increase the dollar value offered by as much as 10%.
- Homes staged prior to listing sold 79% faster than homes staged after listing.

A real estate agent accidentally discovered this secret strategy when he met a wealthy executive who wanted to sell his condo. He was willing to hire the agent with one condition: the real estate agent had to agree to use the man’s secret method to sell the condo. The agent was naturally skeptical, but he knew selling the condo would bring a handsome commission.

Conversely, if it did not work out, their agreement would expire, and the agent could walk away. The real estate agent decided to give it a shot and listed the condo.

They priced the condo at $554,900, even though two similar condos in the same complex were listed for $479,000 and $439,000.The agent was not confident that the condo would sell for the $554,900 price. On the other hand, the owner’s secret strategy was intriguing. The condo went on the market, and the agent waited to see what would happen.

He began to doubt the strategy, as he was showing the condo regularly but was not receiving any offers. People were walking through and leaving. To make matters worse, most visiting agents thought the condo was overpriced. They could not understand why the owner was asking for so much more than comparable condos. After all, a similar condo around the corner was available for $100,000 less! They counseled their buyers to keep looking and left without making offers.

The condo had no special features that set it apart from the others. This unit was not a penthouse. It was on the sixth floor of a 10-story complex. The other agents were well within their rights to say the price was too high.

Still, the owner stood firm. Four months and many showings later, a buyer walked in who loved the condo the moment he stepped through the door. He made an offer before he finished the tour. The agent was so excited that he rushed to call the owner. The owner accepted the man's offer and sold close to listing price.

The condo successfully sold for $549,000, which was a record high!

The strategy they used was a huge success. Naturally, the real estate agent was excited, and the owner was thrilled to make a substantial profit.

The price was $110,000 higher than a condo that had sold two-and-a-half months earlier. The higher price was not due to the current market, either. The next unit that sold (28 days later) went for $435,000. It was a less desirable second-floor unit. Five months later, another similar condo sold for $450,000.

What was the seller's secret strategy to selling for more money? What was the special request the wealthy seller had requested of his agent? It was simple. He insisted that the condo be staged.

The successful real estate agent knew he was onto something. He began researching everything he could find about staging's impact on the selling prices of homes. He collected his findings and shared the tactics the wealthy seller had taught him. He included all the examples he had found as case studies.

Many agents already encouraged sellers to stage their homes. However, few of them were familiar with the following case study, proving staging is an effective method of selling your home for more money.

The following is an excerpt from his report, with one of the case studies he recorded.

WHAT DO BUYERS WANT?

Most home shoppers are looking for a home that will give them a fresh start. Perhaps they are just starting out and it's a fresh start from apartment living, or maybe they've outgrown their starter home and need more room for their expanding family. On the other end of the spectrum, if their kids are grown and out of the house, a couple might be looking for a way to declutter their lives and downsize. There is also the situation in which a marriage is ending in divorce, and the couple has to face the reality of selling what is often the single largest asset of the union.

In any case, if potential buyers can envision themselves living in your home, it will be easier to sell. Think of it as creating interior curb appeal, where you draw prospective buyers' attention to the inviting space and unique features of your home. Each room in your home should have a purpose or a suggested use and should feel new to reflect ease of upkeep. By removing dated wallpaper, adding a fresh coat of paint, updating the brass bathroom fixtures that were all the rage in the 90s and replacing stained carpets and popcorn ceilings, you can improve the salability of your home by 75%! High-end replacements are not necessary; your goal is to create a clean, simple, and contemporary feel to your home.

NEUTRALIZE FOR EYE APPEAL

The most important aspect of staging your home lies in removing all distractions that may prevent the home shopper from imagining themselves living in each space of your house. One of the most effective ways to appeal to the buyer is to "think fresh," and paint every room a neutral color.

A wide range of neutrals, from soft grays to warm beiges, is readily available at any home improvement center. Many stores offer the expertise of associates who are often well-acquainted with preparing a home for sale and can assist you in selecting just the right hues. For instance, dark or bold wall colors can dampen interest in a home if used in large spaces but can be used effectively as accent colors.

Painting the interior not only gives a newness to your home, it can also make it appear more spacious. By using the same color in visibly adjacent rooms, your house will have a seamless look and uninterrupted flow.

You can also create the illusion of more space by changing your window coverings to match the walls.

FOCUS ON FURNITURE — LESS IS MORE

Staging is the art of creating a visibly inviting space. Like any homeowner, you will take your furniture with you when you move out of your home. Until then, your personal taste and style will be showcased while your home is on the market. In upcoming pages, you will learn about depersonalizing your home — but first, we'll examine the concept of creating space by keeping furniture to a minimum. Buyers are attracted to spacious homes, flooded with light. At the same time, they are repelled by darker homes, filled with cramped and unnavigable spaces.

Remove all unnecessary furniture from your living spaces, and store it elsewhere while your home is on the market. Home shoppers want to walk through your home without obstacles. Space and storage are high on buyers' lists, so every area of your home should feel spacious. All closets, pantries, and storage rooms must be organized and free from clutter. Remove the things that aren't necessary for daily living, and store keepsakes, photo albums, rarely used appliances, and so forth out of sight, preferably off the premises, so closets and cabinets are not cluttered. This will create interest and showcase the home's space and storage capacity.

Strategic furniture placement is an easy way to highlight unique features of your home. A grouping of chairs in front of a fireplace, for example, will draw attention. Avoid pushing the furniture close to the walls.

Every room has to be staged to show function as well as beauty. An empty room used for overflow of boxes or unwanted items should be transformed into a usable, desirable space. Clean it out, and create an office space with a desk and chair or a reading room with a lamp and recliner. If you have exercise equipment, feature it as a workout room. Furniture pieces, such as tables, can be taken from the living room for use in other rooms. Every room should have a purpose and be user-friendly. Make your home's traffic flow obvious, so buyers can browse each room without effort.

EMOTIONAL CUES

Once every room has a purpose, creating atmosphere is key to making your home desirable. Decorative touches like greenery, flowers, and scented candles give life to your home. Frame rooms with creatively placed wall art.

A bedroom with a bed, a single pillow and blanket, and a harsh overhead light will make the room seem bare and lonely. By adding a table with a little décor — such as fresh flowers, a lamp and a few books — and a rocking chair draped with a lap robe, you heighten its appeal. Make sure to add elements of the same color, shape, or texture to unify the room. Any splashes of bold color should appear in the wall art or any place you want to draw attention.

Learn to strike a balance between staging and living in your home. You can tastefully decorate for the seasons without dashing your home's appeal. The main goal is to keep your home clean and free of "stuff" that distracts would-be buyers.

Even simple things can make a big impact on the final sale price of a home. Effective staging is one of those things!

You have two options for staging a home:

Option 1: Do it yourself.
Option 2: Hire a professional home stager.

If you are considering hiring someone to handle your staging, contact me for a list of references. I'm happy to share recommendations and send you information on stagers who will transform your home from just "somebody's house" into a desirable property that will entertain numerous tours and, ultimately, offers.

In the next few pages, you will learn how to prepare for staging. Remember, first impressions are important. The time and effort you put into creating great first impressions will pay off when you sell your home quickly and for more money!

Chapter 6
Upgrade with ROI in Mind

Making upgrades to your home can be as easy as replacing the handle on your front door or as daunting as remodeling a kitchen or bathroom. There are some things you must keep in mind with regard to market value and return on investment when updating your home to sell.

What home improvements give you the best return on your remodeling dollar? The return on investment is generally less than 100% in real estate, so the rule of thumb is “less is more.” Accordinging to HGTV, doing minor upgrades to the bathroom, such as recaulking, replacing old/outdated fixtures, changing the shower door, and giving the room a fresh coat of paint can yield a 102% return on investment. If your home is worth $275,000 and you spend $15,000 to revamp the kitchen, don’t make the mistake of assuming that the investment will increase the value dollar for dollar. The remodel may add value to the home, but the return in dollars spent will be around 50%. Smaller upgrades like replacing outdated fixtures in the kitchen and bath are certainly worthwhile, but major remodeling of those rooms is not wise.

That’s not to say you can ignore necessary repairs that a home inspector would red-flag or a mortgage company would demand before issuing a loan to a buyer. If you are facing major problems, like a leaking roof or outdated electrical wiring, you must either address those repairs yourself or be prepared to make major concessions on pricing to the buyer, so that they will not have to bear the burden of major repairs as well as the price of the home.

STARTING WITH THE BASICS

Every home that is listed should meet the basic expectations of any buyer. Your home should have a sound roof, functioning gutters and downspouts, a foundation without cracks, a functional heating and air-conditioning system, solid subflooring, and safe and secure electrical wiring. With finance-mandated home inspections, any shortcomings may be required to be remedied to get the buyer’s financing approved.

You do not need to undertake extensive remodeling projects to sell your home or to increase the value of your property. You do need to be sure your property is up to the standards of the neighboring homes.

What’s important, though, is that you understand that the market value of your home is determined by the prices of homes recently sold in your area. Remodeling your kitchen to outshine others may not get you more money for your home, especially if it exceeds the market value buyers are willing to pay. You could spend more money than you will make in return — it is possible to over-improve.

MECHANICAL MAINTENANCE IS A MUST

It is easy to get wrapped up in the aesthetic aspects of preparing a home for sale. However, you should never overlook the upkeep of the “unseen” aspects of your home that keep it warm or cool, dry, and safe from fire.

Take a close look at these mechanical features:

- electrical boxes and wiring
- natural gas lines
- plumbing
- central heating and air-conditioning

If these systems are old, outdated, or not functioning correctly, you are lowering your home's value.

According to the National Association of Realtors®, 65% of home buyers surveyed wanted assurance that their new home had a working central air system. Of the 31 mechanical features inquired about in the survey, across the board, this one was viewed as the most important.

People want to purchase a home that reflects their aesthetic tastes and lifestyles, but also one that is safe and sound. Faulty electrical systems do not provide a feeling of safety. Leaky plumbing arouses concerns of mold infestation and sewage problems.

These areas can require extensive work, but they are extremely important. Overlook them in the preparation stage, and you run the risk of trouble later with inspections and appraisals.

Professionals should do most of the mechanical work. Having a professional inspection on record is a big plus for most buyers as well.

There is an alternative to personally arranging and coordinating all the separate inspections. Certified home inspectors can usually cover all items related to mechanical issues and more. They will be able to identify possible trouble spots requiring attention. Many buyers hire an inspector, so you may even be saving them that expense, which is always a mark in your favor when it comes to moving forward with a potential buyer.

Having antiquated wiring and plumbing replaced is expensive. If you do have mechanical issues and decide to sell your home as is, it may be necessary to negotiate a reduced sale price with the buyer. Some buyers are willing to take on the improvements themselves, with the thought that they can be assured they are completed to their own standards and specifications. However, some buyers will simply walk away, not wanting to deal with known problems that could get expensive long after the deed is transferred.

REPLACING APPLIANCES

There is no doubt that new appliances make an impact on buyers. The National Association of Realtors® conducted a survey of buyers in the market over the past several years and found that:

- Buyers were usually "interested" or "somewhat interested" in buying a home that featured new appliances.
- Roughly 17% of respondents preferred stainless steel.
- The most important factor: available appliances.
- Most buyers who were unable to get their sought-after appliances said they would have been willing to pay, on average, nearly $2,000 more for them.

Potential buyers prefer that appliances be included with the house and will pay more for them, especially if they are new or in excellent condition.

If you can afford it, new appliances might be what sets your house apart from the home for sale across the street.

If new appliances are not an expense you are able to cover, ensure your existing appliances are immaculately clean and fully functioning.

UPDATING HARDWARE

There is no doubt that new appliances make an impact on buyers. The National Association of Realtors® conducted a survey of buyers in the market over the past several years and found a few things out.

Carefully inspect your bathroom and kitchen hardware. If it is unsightly or worn, it should be replaced. Put yourself in a buyer’s shoes; your old home will potentially be their new home, after all. Old, worn-out fixtures are not going to speak to them the way nice, shiny new hardware will.

Unless your knobs, pulls, handles, or hinges are broken, there is no real reason to replace them. You can get that new look simply by thoroughly washing, sanding, and painting them with spray paint made specifically for kitchen and bath hardware, which is generally more cost-effective.

The goal is to touch up your home and give it a new, clean look, without breaking the bank. The internet has a wealth of do-it-yourself videos that can help you update your bath and kitchen if your budget is limited, or if you just have the time and interest in these DIY projects.

If the hardware is broken or completely worn-out, it’s best to replace the whole set. If it is just broken in a few places, and you can find matching pieces, you can paint the old and new to match. You could also consolidate all the good parts in one bathroom and replace all the hardware in the other.

LET THERE BE LIGHT

Whether natural or artificial, good, bright light is one of the most effective ways to show off your home. Using light to enhance your home’s appeal can make a difference. Oddly, this is an aspect of staging that is often overlooked. Light that is too dim or too harsh is unflattering to the finest furnishings and best features of the house. Dim lighting gives everything in the house a dingy feel. Assess the lighting in each area of your home for ideas on where to bring in more light.

Rooms with abundant windows greatly benefit from natural light, as your home will be seen during the day. Supplemental light is necessary for rooms with smaller windows or limited natural light. One quick, easy fix is to increase the wattage of light bulbs in your lamps to improve artificial light. As a rule of thumb, there should be 100 watts for each 50 square feet of space.

Keep in mind that there are three basic kinds of lighting. General lighting, or overhead lighting, is typically ambient. Pendant lights are good for tasks like food preparation or reading. Accent lights are usually found on tables or mounted on walls. You can use all three to bring out the best your home has to offer.

Key areas, such as foyers, can set the stage by impressing buyers with a dramatic light source. If you do not have an abundance of natural light coming in, a chandelier-type light works if your ceilings are high. Otherwise, wall sconces are impressive in smaller spaces. Don’t assume you need to buy new fixtures if you can update your existing ones. The aim is to make sure each area of your home is effectively lit.

Kitchen and bathrooms are pivotal rooms to any home seller. These two areas can make or break a sale. The combination of ambient, natural, and pendant light can bring out the best in your kitchen space. Mounting track lighting underneath cabinets gives the counters an opportunity to shine aesthetically, as well as functionally. Make sure the light over the sink area is sufficient and working properly. If you have a hood over the stove, install clear bulbs to ensure the brightest light. Lighting in the bathroom should be intense without being harsh. Soft lighting enhances any part of the house you want to highlight.

Rooms painted in neutral colors need sufficient light so the room doesn’t appear drab, but avoid harsh lighting in the bedrooms. Strategically placed lamps give bedrooms a dreamy, peaceful, and restful feel. On the other hand, the closet light should be bright.

FLOORING PLAN

Although you don’t want home shoppers looking down on your home, they will be looking down at what is under their feet. A buyer will downgrade your home’s value if your floors are in bad shape. On the flip side, if your home’s flooring is well done and in excellent condition, buyers will pay more for it.

Maximizing your profit without compromising your investment dollars is certainly the goal, but if your flooring and carpeting are not in salable shape, you need to take inventory. There is no point in spending money unnecessarily if the improvements do not add significant value or help the home sell more quickly, but you do have options that don’t break the budget. Repairs and thorough cleaning of your floors are the least expensive way, to bring them up to salable standards.

Take stock of your home’s flooring by moving furniture out of the way and noting condition, scratches, stains, or blemishes. List what needs to be replaced, cleaned, or repaired. Carpets can be steam cleaned to eliminate stains and odors. If the carpets are path-worn and dull, you can replace them easily with other kinds of economical flooring with a reasonable ROI, although carpeting does make a room feel cozy. Laminate floors can be repaired cosmetically with repair kits found at home improvement stores.

Hardwood flooring can be easily refinished if the wood is worn or water damaged. Seek the advice of a flooring professional because real wood floors add a level of quality to a home that laminate floors cannot.

TIPS FOR KITCHEN AND BATH

The first thing to determine in making upgrades to your kitchen and bath is what, in your opinion, constitutes a substantial investment. The key is to consider mass appeal for the sake of resale value.

One homeowner decided to add a backsplash and more cabinet space in the kitchen. They also updated the appliances and refinished the oak flooring. Total cost: $4,000. The seller kept the price comparable to sales in the area and ended up selling for $27,000 more than the asking price because interested buyers started a bidding war.

You do not need to bust your budget to sell your home, but you do want to create mass appeal. Kitchens are pivotal in home appeal. What can be done to your kitchen and bath to impress buyers without losing ROI?

TWO ENERGY-SAVING UPGRADES TO LOWER UTILITY BILLS

• Install an energy-saving smart thermostat for less than $300; this will save on utility bills.
• Install solar vents ($500-$700) in the attic space to help expel hot air during summer months.

MAKING A CASE FOR SPACE

According to the National Association of Realtors®, a majority of recent home buyers would have preferred improved and greater closet space, as well as other storage options. Consider these statistics showing what buyers are looking for in a home:

- 93% wanted a laundry room.
- 90% wanted a bathroom linen closet.
- 86% wanted garage storage.
- 85% wanted a walk-in kitchen pantry.

STORAGE IS A PLUS

You had me at "enormous storage space."

Give buyers great storage, and you've won their hearts. If you can add new closets to your home easily, take the opportunity to do so. Building a simple closet is not difficult if you are moderately handy. If you are selling an older home, where closet space is typically at a minimum, this will help! If your rooms are already small, though, you might not want to take any square footage away from them. Existing closets can be updated to maximize the space at hand.

If you do not have the skills to build a new space, nor the funds to hire someone, consider investing in closet organizers to make the most of what space you have. For instance:

- You can easily design your own custom closet kit online with a storage solution company like ClosetMaid®.
- Your standard superstore or hardware store often has exactly what you need in an inexpensive, prefabricated form. Organizers will not enlarge

your closets, but maximizing vertical and horizontal space is a good alternative.

Don't stop there! After all, storage is not restricted to closets. Storage improvement opportunities apply to all of your cabinets, clothes closets, linen closets, and attic and basement spaces.

It is important to make sure you organize your cabinets. The same retailers that provide closet organizers can help you with this. Take a good look at your laundry room and linen closet. Adding extra shelving in these places can make a big impact.

Look for any place you can provide attractive and inexpensive storage space. Make sure your improvements are tasteful, and you will benefit from increased storage solutions.

Updating your home with ROI in mind is the best approach to the decision-making process when getting your home ready to sell. Look over this recent list of what buyers want in a home. Compare it to what you have in yours, and upgrade accordingly — as long as you can do it without surpassing the price line for comparable homes in your area.

FEATURES MOST HOME BUYERS WANT

- Energy Star-rated appliances — 94%
- Laundry room — 93%
- Energy Star rating for the whole home — 91%
- Exhaust fan in bathroom — 90%
- Exterior lighting — 90%
- Bathroom linen closet — 90%
- Energy Star-rated windows — 89%
- Ceiling fans — 88%
- Garage storage — 86%
- Table space for eating in kitchen — 85%
- Walk-in kitchen pantry — 85%

Keep in mind these features are not guaranteed to be effective or profitable upgrades.

FEATURES FEWER BUYERS WANT

- Shower stall without a tub in the master bath — 51%
- Two-story family room — 43%
- Wine cooler — 42%
- Wet bar — 41%
- Laminate countertop — 40%
- Laundry chute — 32%
- Outdoor kitchen — 31%
- Game room — 3 %
- His & her baths — 31%
- Glass-front cabinets — 31%

Chapter 7
The 3 Ds
DEPERSONALIZE

Remember the discussion on staging? When readying your home to show to potential buyers, you must encourage them to visualize living in the home, but not YOUR home. Removing all of your personal items such as photos, trophies, and collectibles is the process of depersonalizing your home.

Knickknacks and wall décor are also personal taste items that may distract buyers from seeing the home as theirs. Carefully pack and store your treasured items out of sight. Storage units that can be rented monthly are a good option.

DECLUTTER AND DISCARD

It is understandably inconvenient to live in your home without the essentials that you need on a daily basis. However, any extra furniture or unnecessary items — like books, magazines, CD collections, and hobby supplies — all add weight and visual distraction to a room. The more spacious your home appears, the more appeal to potential buyers it has. Minimize as much as you can without compromising your lifestyle. You want the home shopper to SEE what your home has to offer, not to guess.

MAKE A PLAN

- List each room of the house, noting the amount of clutter in each room, including closets.
- Declutter rooms one at a time by starting with the rooms needing the least amount of work and moving through to the rooms needing the most work.
- Clear out each room, keeping only essential items.
- Donate or discard clothes, décor, toys, and other items you no longer use.
- Box up possessions that you want to keep but don’t currently use, and put them in storage.
- Remind yourself to keep surfaces clean and clear.

ROOM-BY-ROOM LIST:

- Kitchen — Clear the counters, leaving only three or four essential items. Keep towels, dishrags, and potholders out of sight. Soaps and cleaners should be stored under the sink. Rarely used small appliances can be packed and put in storage. Pack away teacups, serving dishes, and platters if you normally showcase them. If you want to draw attention to decorative shelving, put a few pieces out for show. Seasonal dishes and accessories should also be stored. Remove any pest control traps or poison from the pantry and closets. Appliances are not extra shelving or storage. Buyers will not want to find the microwave used as a bread box or the oven as cookware storage.
- Bathrooms — Remove everything from the cabinets and drawers. Keep what you need or will use, and dispose of the rest. Store

prescription medications out of sight and out of reach. Find a safe place for jewelry, keepsakes, and perfumes. Store hair products and styling tools in the cabinets. Make the bathroom look like it is rarely used.

- Bedrooms — Focus on showcasing closet space. Clean out your closet, and remove off-season clothes. Adhere to the "if I haven't worn it in a year, it goes" rule, and donate everything you don't need. When it comes to clothing, we generally only wear 20% of the clothes we own 80% of the time.
- Dining Areas — Clear off any flat surfaces, including the dining table, leaving only subtle décor, such as a vase of flowers. Keep the furniture dusted.
- Living Areas — Gather stacks of books, magazines, remotes, toys and gaming gadgets, plus pillows and throws, to clear all flat surfaces. Pack away unnecessary items, and store reading material, games electronics in decorative bins. Fold and drape throws on chairs.
- Office Space — Organization is the focus for office space. Overflowing shelves do not reflect useful space. Keep all personal papers stored out of sight. Clear the desk to create a space where concentration and work are easy tasks.
- Linen Closets — Organize and clean out old towels, sheets, pillows, and blankets. Store seasonal blankets, clothes, and outerwear off-site. Keep linens to a minimum.
- Laundry Room — Whether your washer and dryer are in the basement, laundry room, or closet, your laundry area should be neat and organized. Use shelving bins to organize detergent, bleach, and dryer sheets. Never leave clothes on the floor. Refrain from using the tops of the appliances for storage.
- Garage — Although cleaning the garage may be the most daunting task when preparing your house for sale, it can be as simple as getting rid of things you haven't touched in years. Boxes of broken or outdated toys, useless sports gear, and rusty tools all seem to migrate to the dark corners of the garage. This is the best time to donate or discard. Other items, like paint, extra tiles for the floor, and bicycles, can be shelved or hung.
- Pets — Store pet items out of sight during showings. See the following section on Pet Peeves for details on how to deal with pets while selling your home.

DEEP CLEANING:
SPOTLESS IS THE NAME OF THE GAME

Deep Cleaning: Spotless Is the Name of the Game
A thorough deep-cleaning of your home is vital. It helps people selling a car get more money for their vehicle, and it will work for you in selling your home.

Once the clutter is gone, move on to cleaning each room. It makes sense to clean each room after you have removed the clutter. Tidy each room from top to bottom. Be meticulous, especially in the kitchen and bathrooms. Home buyers will open cabinets, pantries, and closets to assess their storage opportunities.

GENERAL LIST OF TO-DOS:

- Clear the cobwebs from every corner of your home.
- Dust ceiling fans and lighting fixtures.
- Dust the blinds.
- Wash the walls. This has to be done before repainting, so this will save you time later.
- Clean all glass surfaces: mirrors, television screens, patio doors, and tables.
- Polish all wooden surfaces.
- Wipe down leather furniture.
- Attack all appliances with cleaning fervor. Make them shine!
- Scrub sinks, toilets, tubs, showers, faucets, and countertops. They must be impeccable.
- All tiled areas, including grout, must be free of discoloration, stains, and mildew.
- Clean the window treatments. Wash the windows so that the natural light will enhance your living space.
- Vacuum rugs, shampoo carpets, and mop floors thoroughly.

KITCHEN AND BATH:
FOCUS ON HIGH-IMPACT AREAS

The most important rooms in your home are the kitchen and bathrooms.

A kitchen can sell a house because it is the heart of a home, the place where family and friends gather to enjoy one another's company and share meals. Buyers will be turned off by dirt and grime, cooking smells, and stinky trash. Clean all cabinet surfaces as well as under the sink.

Bathrooms are so important to Americans that most homes have at least two or three. As you work toward selling your home, it is imperative that the bathrooms be kept clean and odor-free.

Potential buyers might forgive a less-than-stellar child's room, but a questionable bathroom or kitchen could cost you a sale.

PET PEEVES

Pets are wonderful, but not everyone likes them. In fact, some people are highly allergic to domestic pets. Home buyers don't want to dodge your excited, barking dog or deal with the fur and dander of your friendly cat — much less have to deal with unfriendly animals.

Pet dander and odors will tank a positive viewing experience for potential buyers who, at best, consider pets an unnecessary distraction, and, at worst, begin to imagine all sorts of hidden pet stains and damage. Do your best to minimize the presence of your pets. Dog dishes, cat litter boxes, and beds need to be out of sight or clean at all times. At the very least, pets should be relegated to crates or the backyard while showing your home, but it is best to move them to another location entirely, if at all possible.

With all the staging work complete, you are ready to list and showcase your home. In the next section, you will learn how to price your home. A real estate professional is your best information source for how to sell your home quickly without lowering the price. If you’re going to try to sell your home without an agent, there is much to learn about pricing, marketing, and negotiations when selling your home.

Chapter 8
How to Market your Home

The primary purpose of this book is to provide insight on how to sell your home quickly and for more money while you're going through a divorce. The previous chapters were filled with dos and don'ts when preparing a home for the market. The goal of the upcoming chapters is to help you understand what determines the price and market value of a home — yours, specifically.

Despite the term "buyer's market," it is important to understand that it is always a "seller's market." Homes are a necessity. We don't live in caves or nomadic tents. Real estate is a commodity that endures the test of time.

Your home is unique. There is no other house exactly like it. Yes, it may share the same floor plan with five other houses in your neighborhood, but the individuality you have created out of your property makes it stand apart from your neighbors'. Your home's value will be based upon similar homes purchased during a particular time, whether winter, spring, summer or fall.

No matter how closely you study the market and its current supply and demand, the real estate market is a complex entity that surpasses all speculation. No one person or real estate professional can reasonably conclude that the current market has complete control over the salability of a specific home.

In the end, you will decide the asking price of your home. Typically, this is done with the help of research and the advice of a professional Realtor®. But, in the end, how do you decide? What is the best way to get online exposure? Do professional photographs make a difference to online shoppers? What more can be done to market your home?

The upcoming sections answer these questions to help you sell your home for the best price.

THE PRICE IS RIGHT

A consumer is a consumer, whether buying real estate or a bag of oranges. The *perception* of value will always have a prominent seat at the table, whether regarding your home or the bag of oranges. *Perceived* value and *market* value are not the same.

You must know how to price your home strategically and correctly.

As a seller, there are two things you must keep in mind as you determine your asking price:

- Sentimentality has no dollar value. Although you may have many emotional connections to your home — which you might be feeling even more as you navigate this difficult time — you must avoid placing a higher price on the property for sentimental reasons. It is highly recommended that you set all emotions aside during the sales process. Buyers look for cues to figure out your motivation to sell, and the less you give them the more control you will have over the proceedings.

- There is no direct dollar-for-dollar correlation between upgrade investment and market price. If you spend $3,000 to renovate, don't assume you can add that amount to your asking price. Don't be trapped by making your home the nicest, but also priciest, home in your area.

MARKET PRICE VS. MARKET VALUE

If you have a ready-to-buy, bank-qualified buyer who is willing to pay a price you will accept, that is referred to as "market price." It is an objective fact without influence. This transaction, once complete, will influence the market value of homes in your area. You determine the price of your home by looking at comparable local sales provided by a professional real estate agent, your property's condition, and the current supply and demand.

What any piece of property might sell for — based on features and benefits in a competitive market, the current supply, and demand for similar homes — is its market *value.* You might value your home at a higher price than what a buyer will pay — its true market *price.* Using the bag of oranges analogy, if demand for oranges increases, they become more valuable, which can affect the price. If the demand for bags of oranges decreases, the value can no longer influence the price. Balanced markets will equalize market price and market value.

Individual perspective also comes into play when placing value on a home. Let's say your home has an abundance of mature trees — a plus in your mind. A buyer who loathes raking leaves will see that as a negative. If you just spent $10,000 to replace your roof, you might think you can get a higher price, but buyers expect the roof to be in excellent condition.

Proximity to schools, bus routes, and medical facilities can also create value that certain buyers are willing to pay more for.

Buyers look for the right deal, but what they are willing to pay and what the bank is willing to finance have limits. Strategic pricing is your greatest tool when selling your home.

FOR EXAMPLE:

A homeowner decides to place his home on the market and must decide on an asking price. By rough estimate, the home's worth falls between $290,000 and $300,000. There are many homes on the market, so what goes through his mind when finding the "right price?"

- "Leave room for negotiations" — if the home is overpriced at $305,000, it only makes comparable homes more desirable. The home will most likely not sell.
- "Price it according to 'worth'" — Buyers will lump the home with like-priced homes, knowing they can buy anytime for $295,000.
- "Underpricing generates interest" — Underpricing at $280,000 will motivate buyers and perhaps create a bidding war. But if not, the goal of selling the home for more money has been derailed.

When it comes to finding a buyer, pricing your home according to data available in comparable, real priced sales is crucial to making the sale. Using the Comparative Market Analysis is imperative to pricing strategically.

When you ask for one from a real estate professional, be sure to review the analysis, ask questions, and thoroughly understand the answers. If completed correctly, this comparison report not only gives you a great listing price but also reduces the chance of your home being under-appraised. If you have appropriately priced your home, you should be showing within the first couple of days on the market. Offers should come in within weeks.

REMEMBER THIS

If a potential buyer perceives the value of your home as greater than the actual price, s/he will be more willing to buy more quickly. The urgency to buy diminishes the closer the price and perceived value become.

SELLING BY SHOWING OFF

Before the internet, cell phones, and the social media craze, buyers looked for a home by perusing the local multiple listing service (MLS) book filled with tiny, mostly grainy images of homes. Photos of featured homes were larger and sometimes in color, but most were black-and-white, amateur photos. The photo was insignificant compared to the information provided below it. Nowadays, the reverse is true.

Photographs have become the most effective “bait” to attract future homeowners. Recent studies conducted by NAR, show that 97% of homebuyers use online tools to shop for homes before contacting a real estate agent. They peruse the web, finding homes that appeal to them and then contact a Realtor®.

What will make the best first impression? Beautiful, engaging, crystal-clear photos of homes, inside and out. Getting your home sold quickly requires maximum exposure. Online marketing through photographs is one of the most important ways to market your home.

Listing photography is a great tool for showing off the best features of your home. Bright and colorful shots of welcoming spaces encourage buyers to imagine themselves comfortable and happily living in your home. By focusing on the unique aspects of your home, like large rooms with great views or amazing architectural features, you can generate genuine interest.

Stage your home to give the appearance of space and light in every photo, as long as you do it without distorting reality.

GO PROFESSIONAL

The decision to use a professional photographer is an easy one. Most real estate agencies will cover the cost of professional photos for your listing. Most Realtors® agree that photos taken by a professional are more likely to sell a house within six months. The difference in home-selling success rates between homes photographed by amateurs and those photographed by professionals is astounding. On average, homes ranging from $400,000 to $499,000 that were photographed professionally sold for $11,000 more than the homes that were not photographed by professionals. Homes in the $200,000 range averaged $3,400 more. The sharpest photos also increased the salability of the home, with 10% of the homes selling at or above the listing price 44% of the time.

Potential buyers want quality, high-resolution photos when they shop online. Current trends in visual media demand it, and so do buyers. Finding a home is all about making an emotional connection for younger buyers, much like their music and movies.

You are basically marketing your home directly to buyers with an online photo presentation. You need to wow them, and statistics show that high-quality photos can do just that.

MAXIMUM TARGETED EXPOSURE

When you hire an agent, they can place your listing on all major real estate portals, such as Zillow and Realtor®.com. Buyers flock to these websites to find new listings. The agent can also place your home on their own dedicated website and their social media outlets. Moreover, Zillow's Home Trends Expert, Amanda Pendleton, told Yahoo Finance live that Zillow had 9.6 billion page visits to its website and app in 2020, which is a 1.5 billion increase from 2019. When you choose an agent to represent your home, make sure they offer the maximum targeted exposure to potential buyers through the online marketplace.

Check to see if they are current with all techniques for online marketing and can provide the advanced technical services to sell your home. Here are some examples.

- Visual maps, such as Google Earth
- Floor plans or 3-D floor plans
- Video tours
- Updates on buyer activity through the agency
- Electronic documents
- Agency mobile device app
- Social media exposure
- Virtual home staging (if your home is empty)

Selling a home quickly and for more money takes work, but once the home is properly staged and ready to sell, take advantage of every tool possible to achieve results. Work with a real estate agent who not only knows the value of good photography but who can provide an aggressive internet marketing campaign to bring ready buyers to your listing.

Chapter 9
Common Seller Mistakes

Carefully read this list of mistakes, and learn from those who have gone before you so you don't make them yourself. If setting a price was simple and straightforward, you would not need assistance in pricing your home correctly. Save yourself time and money by avoiding these pitfalls.

GUESSING INSTEAD OF RESEARCHING

Basing your home price on what the neighbor down the street has listed his home for is not a reliable method of pricing your home for sale. The Comparative Market Analysis is still your best source for setting an asking price. If a home in your area sells for a low price, don't assume yours is worth the same amount. Your home might have something to offer that the other one didn't.

Let the CMA be your guide, and get the advice of a real estate professional.

HIRING A REALTOR® BECAUSE THEY SUGGEST THE HIGHEST LISTING PRICE

Choosing a real estate agent simply because they want to put a high price on your home is not in your best interest. They should know more about the market for your home than you do. Pick an agent who can provide you with real numbers and solid marketing plans for your home. The professional you hire to sell your home should be knowledgeable, trustworthy, and quick to answer any questions or concerns regarding the entire selling process.

Avoid hiring the wrong person by interviewing agents and selecting the one who offers detailed sales data and a strategic listing price, not just a higher one.

SUBJECTIVE PRICING

Selling your home is a business transaction between a qualified buyer and yourself. If you have enjoyed living in your home for years but must now leave it because of your divorce, don't let emotional attachments to the home affect how you price it. The most objective price will come from the CMA provided by your real estate agent. Memorable moments spent in your home are priceless — literally, because they do nothing to add to the selling price. It is also unrealistic to add dollars because of the labor spent making the house into your home; the new owner neither benefits from nor cares about your efforts.

By focusing on the CMA results and maintaining a business-like and professional attitude, you can keep emotions at bay.

FIRST DAY HIGH-PRICE BLUES

The most crucial time for your home is the first 10 days on the market. Once your home is on the MLS, you will see how much interest is generated. If your price is too high, buyers will pass you by because the home is out of their price range. By the time you decide to lower the price, they will have moved on to other properties. As your home sits on the market, buyers will wonder why the home hasn't sold, concluding that it is undesirable in some way and passing it by without a second glance.

Price correctly from the start to generate interest and gain attention from buyers to sell faster. Unrealistic pricing costs you more money in the long run.

TESTING THE MARKET WITH A HIGH PRICE

Even if you are not in a hurry to sell, it is not a wise move to "test" the market by listing your home at a high price to see how it goes. Serious home shoppers may take months to find a new home, so they are continually looking for new listings, not ones that have been sitting on the market. Thinking that the market will turn in your favor may not prove reliable, either. If prices in your area end up dropping instead of rising, you may lose money.

By pricing your home based on current market values, you can sell your home more quickly and for more money.

PRICE DROPPING

Another pricing trap to avoid is insisting on a high price for your home, far above other homes in the area. If your home does not sell after three months, you might decide to lower the price. That is okay in a stable or increasing market, but if the market in your area is declining, you may be forced to reduce the price even more in order to catch up to the falling market.

Price competitively from the start. Don't hesitate to reevaluate your local market. Work with your real estate agent to determine the fair market value of your home.

Chapter 10
Avoid Costly Mistakes

How can you keep from selling your house for less than it is worth? How do you avoid losing money on your sale? The first thing that you need to learn from is the mistakes of those who came before you. Below are some examples of costly mistakes made by all kinds of sellers, including those made by a bank.

The final story demonstrates how crucial it is to price your home right the first time in a changing market.

UNDERPRICING IS THE EASIEST WAY TO LOSE MONEY ON YOUR HOME SALE

The number one reason people lose money on their home sale is underpricing. They assume their home is worth 'x' dollars without researching the value, put their house on the market, sell it for less than it's worth, and never realize their mistake. That is why it is so critical to have a true understanding of the value of your home in today's market.

A perfect example is the sellers who sold three acres — worth about $300,000 — for $80,000.

- They lived about 30 miles away and didn't realize the development potential the property had.
- They hired an agent who wasn't familiar with the area.
- Their agent didn't realize the development potential, either.

Their buyer was knowledgeable and experienced with developments. He researched the zoning and discovered the three acres were zoned for high-density condos. The sellers did not know about the zoning, nor did they know the county was planning to build a new road right past their property.

BANK MISTAKE

Banks know when a buyer makes an unsolicited offer, and most of the time the offer is below fair market value. In one case, a bank lost more than $30,000, on a mistake based on that assumption. Two people were interested in buying a particular piece of property. It was in an excellent location and unique among properties available in the area. Both buyers were anxious to make an offer before someone else could offer more.

Either one of them would have been willing to pay the fair market value of $100,000 for the property. Money was no problem; both buyers had the ability to pay in cash. Unfortunately, the bank refused to take any offers on the property. They would not budge until it was listed on the open market. For some reason, possibly an oversight, they put the property on the market for only $67,000.

First, the bank underpriced the property by $33,000. Second, the bank's agent did not market it properly. Errors were made in the MLS listing. As a result, it didn't show up in search results for other agents who had buyers looking for that type of property. The address was incorrect. As a result, the listing did not show up on any of the real estate websites that use a map display. Finally, he neglected to put a sign on the property. (The person who eventually bought it lived down the road and drove past the property every day.)

After the bank refused to work with the buyers, each waited for the listing to appear. When it did not show up in searches, they gave up. Ultimately, both buyers moved on to find other pieces of land. Meanwhile, the property sat on the market, unnoticed. Because of the agent's errors, the property didn't generate any interest and it went into foreclosure.

The man who lived nearby knew the bank had been trying to foreclose on the property. He did some research on the foreclosure at the courthouse and discovered that the bank had successfully foreclosed on the land. Knowing it had to be listed somewhere, he went online and searched through all of the properties for sale until he found the listing. To his surprise, it was priced well below its market value.

Had the bank and agent not made these mistakes, the two initially interested buyers would have made offers and likely started a bidding war. There is a good chance the two buyers would have driven the price up to the fair market value or beyond.

Most bank-owned properties are priced below market for a reason. Banks will discount homes they sell because they sit empty for months, and the banks typically have no knowledge of their condition.

In this case, though, the bank missed a full-price sale and lost at least $33,000! The property was acres of raw pasture. There were no unseen problems with it. The eventual buyer had lived down the road from it for years and was very familiar with it. He submitted their asking price, and the bank accepted it. He saved $33,000 because the bank's agent didn't perform well and substantially underpriced the property. The bank suffered a significant loss, and the buyer got a steal.

ERRORS IN PRICE ADJUSTMENT ARE COSTLY

There are times when pricing adjustments may need to be considered. For instance, let's look at Tim and Sue's situation.

Comparable Home A:	$368,000
Comparable Home B:	$349,000
Tim and Sue's Home:	$345,000
Comparable Home C:	$345,000
Comparable Home D:	$333,000
Comparable Home E:	$329,000

Tim and Sue appear to have priced their home competitively for the market. Over the next month, the market changes.

Comparable Home A:	Expired
Tim and Sue's Home:	$345,000
Comparable Home B:	$339,000 (Reduced Price)
Comparable Home C:	$335,000 (Reduced Price)
Comparable Home D:	Sold
Comparable Home E:	Pending
Comparable Home F:	$326,000 (New Listing)
Comparable Home G:	$325,000 (New Listing)
Comparable Home H:	$319,000 (New Listing)

Tim and Sue now have the highest priced home in the area, in their price range. When a buyer looks at the comparable home prices, it is now the worst value proposition in the marketplace. Most sellers, like Tim and Sue, do not realize the market can shift so far, so quickly. It cannot be stressed enough how important it is for you to price your home right the first time. House D sold, and House E had a pending sale from the start.

WHY DO THESE STORIES MATTER TO YOU?

Moral of the story: Anyone can lose money in the real estate market.

Any seller unfamiliar with the market risks selling their home for less than it is worth or losing a sale because of incorrect pricing at listing. In most cases, sellers never even realize it.

See how important it is to know the true value of your home? But pricing errors happen to private sellers. Knowing the true value of your home protects you from settling for less money than you deserve.

Chapter 11
Finding Buyers

The two most valuable tools for finding the right buyers for your home are 1) an aggressive online marketing plan and 2) strategic pricing. You now understand the importance of pricing and how real estate is mostly technology-driven, so how do you find buyers?

As reported in the 2021 NAR® Home Buyer and Seller Generational Trends, across all ages of home buyers, searching online is the first step people take to find properties: "97% of home buyers used the internet to search for homes. As a result of an internet home search, buyers most often walked through the home that they viewed online, followed by viewing the exterior of homes because of searching online for properties." - NAR®. Fully 90% of home shoppers use the internet to search for properties using syndicated realty websites. But, even though your home can be seen from anywhere, don't rely on exposure alone.

INBOUND MARKETING

According to Trust Media,

"Inbound Marketing is a marketing strategy where businesses implement tactics to 'get found' by customers. Inbound Marketing involves creating a dedicated website and providing valuable content for your customers, promoting your remarkable content, building customer relationships, and overall 'pulling' the customer toward you. Inbound Marketing strategies create brand awareness, improve Search Engine Optimization, create thought leadership, develop valuable customer relationships, establish credibility, and build trustworthy reputations."

The National Association of Realtors® 2021 Profile of Home Buyers and Seller Generational Trends found that the share of home buyers who used the internet to search for a home increased to an all-time high of 97%. Your agent's website's main job is to capture leads, which come from traffic. How do you get traffic to a website? It's simple: blogging. Your real estate agent should be writing blog posts regularly, to bring in an audience. Be aware, however, that buyers are your browsers first, and they will only find your website if it is set up to be found.

Smart agents will feature your home on websites directed at buyers. The websites' search functions should be able to easily filter results, by using criteria such as schools, neighborhoods, and local attractions. Buyers are not just looking at houses; they are looking for places that fit their needs and lifestyle. The dedicated website should provide a wealth of information to buyers, regarding proximity to schools, shopping centers, restaurants, and entertainment. This is an excellent way to find interested buyers. When a buyer is deciding where to live, you want your home included in the search results as often as possible.

A neighborhood consisting of senior citizens and retired adults, without a designated school bus stop close by, would not suit a family with school-age children, even though the house itself might meet their other criteria. A bachelor may not be interested in living in a neighborhood with children and pets, despite the existence of the two-story home with a garage he was seeking. By design, websites should direct buyers to homes that meet their lifestyle, avoid wasting people's time, and eliminate uninterested shoppers.

Your best option is to discuss aggressive online marketing with a real estate agent who is interested in earning your business and listing your home. You want to maximize your exposure, as well as generate interest from your target market. The CMA will help you price your home strategically, and your online presentation should bring you interested buyers. Once you have an offer for your home, you must know how to negotiate.

The next section of this book covers the power of negotiating, and how to go about avoiding mistakes during the sale process.

Chapter 12
Be a Power Negotiator

Negotiating the sale of your home does not have to be intimidating. By learning how real estate negotiations work and how to apply proven techniques, you can get the price you want from the buyers.

GET YOUR OWN HOUSE IN ORDER FIRST

You can have the right agent, the right buyer, and the right price, but if you're mired in a constant state of animosity and angry confrontations with your ex- or soon-to-be-ex-spouse, it will have an impact, not only on you, but on your real estate agent and possibly on your buyer as well.

The first negotiation that needs to take place is the one between you and your ex-spouse to create a new kind of relationship: a business relationship, based upon cooperation and good faith and a mutual desire to sell the house. Focus on making compromises, reaching a fair deal, and sticking with it. Consult a professional attorney or mediator to help you make joint decisions about how offers on your house will be considered and negotiated. Be sure to discuss, in advance, how any needed repairs that are uncovered by an inspection or buyer's request will be handled.

If you are in disagreement with your ex-spouse over what fixtures or decorations should or shouldn't be removed from the house, make certain that you have that all ironed out before the house ever goes on the market. Simple things, like chandeliers or custom window dressings, that come up at the last minute can single-handedly tank a sale.

Buyers who have entered into an agreement with one spouse but learn that the other spouse has vetoed the deal don't tend to hang around for prolonged negotiations, unless the house is one-of-a-kind and their desire to buy it is greater than their inclination to run for the hills. If the buyer's agent predicts that the split is particularly acrimonious, they could even advise their clients to look elsewhere.

This type of problem can be resolved by your attorney, but keep in mind that every time you have to turn to your lawyer to iron out a simple disagreement, your legal fees grow and can become so enormous that by the time the lawyers are paid, there's not much left from the proceeds of the home to split between the spouses.

KNOW MORE THAN YOUR BUYERS

The two major elements of negotiation are motivation and skill.

A motivated buyer wants the best deal, and you, the seller, want the best price.
A skilled negotiator is an expert at working under the pressures of competition, time, information, and communication.

WHAT MOTIVATES A SELLER?

Time on the Market
Relocation
Pressures of Maintenance and Upkeep
Emotional and Mental Stress, Especially During Divorce

Selling your home is a multifaceted process. The key to being a strong negotiator is keeping your emotions in check. You don't want to end up settling for a lower price because you let your emotions get the best of you.

If you are still in the home and have to maintain it in showing condition for months on end, it can wear you down. If your spouse is still in the home and you have to trust that he/she will keep it in showable condition, allow frequent showings, keep up the yard, etc., you will feel that weighing you down.

Finding the right buyer can be mentally and emotionally straining. Knowledgeable buyers can, and often do, push you to the limit to get the price they want, especially if they sense that you are "desperate."

WHEN THE COMPETITIVE PRESSURE IS ON

When facing an informed buyer, remember that the one with the most options will win the negotiation. The buyer may have researched your home's history on the market. If you have relocated, s/he may assume you are desperate to sell and willing to take his offer. If s/he's been told that you are in the middle of a divorce, s/he may try to leverage that fact to get the deal s/he wants. On the flipside, if s/he thought you had three other buyers waving higher offers, s/he would have to raise his/her offer or walk away. Always remember that it takes two to make a deal and trust your gut. Sharpen your senses to know when a buyer does not have other property options.

Perception plays a big role in negotiations. If an interested buyer THINKS you have rejected offers that were higher than his/hers, you have the upper hand and s/he may feel pressured to offer more. On the flip side, the buyer may let you know that yours is not the only home s/he's interested in, in order to pressure you to accept that price. The key to being a power negotiator is to stay calm and focused during the process to avoid costly mistakes. Knowing your buyer's motivation without exposing yours will give you the edge to win.

LET TIME BE ON YOUR SIDE

Time pressure is inescapable in the world of sales, and depending on which side of the sale you're on, it can be your best friend or your worst enemy. It is present during antique auctions, construction job bids, car sales, and even when a child begs a parent for candy at the checkout lane. Time is a powerful tool in negotiations. Real estate agents will tell buyers that they won't get a good buy unless a seller is under pressure. For this reason, smart home shoppers will want as much information about you, the seller, as they can get.

If a seller is in foreclosure and needs to sell before losing the property, a buyer has the upper hand. He knows the seller is under a time constraint. Buyers look for time-sensitive situations to push their price. Sellers who are behind on mortgage payments, recently retired, or are under contract for another home and dependent on this home sale are prime candidates for high-pressure tactics from savvy buyers.

Buyers also play the waiting game. In real estate, acceptance time can be a powerful tool in price negotiations. From their perspective, the longer the house has been on the market, the more flexible the seller will be. The same applies to negotiations. The more they stretch out the negotiations, the more likely they will get the price they want. Why? Buyers want to become friendly, want to create trust, and ultimately want your willingness to agree to their terms. Your advantage is that the relationship is a two-way street, and they may not want to walk away empty-handed after gaining your trust. By exercising patience, you can maintain your position on terms and price.

KNOWLEDGE IS POWER

Information is crucial to real estate negotiations. The more information the buyer is able to glean from you, the more pressure s/he can exert. The more knowledgeable side will overpower the less-informed at the bargaining table. The more insight the buyer has into your motivation to sell, the more powerful s/he feels in the negotiation.

Don't be afraid to answer tough questions. When the buyer asks them, s/he will be looking for direct answers and your reactions to his/her questions. Any reluctance on your part will show the buyer a lack of confidence. The best way to handle a tough question, without giving out too much information, is to answer with another question. If they ask you if your home has been on the market long, simply answer imprecisely, e.g., "not long," then ask them how long they have been looking. Their answers empower you just as much as your vagueness weakens them.

When asked why you are relocating, answer with vague reasons such as downsizing or eliminating stairs. You don't need to reveal you are selling after a divorce. In order to learn if you have any time constraints, a buyer may ask how soon you want to move. Tell them you're flexible, even if you would really like to move immediately. Next, it's your turn to ask them questions. Directing the question back to the buyer maintains your control of information. The price you paid for your house does not have any bearing on the current market value, so if the question comes up, simply smile and tell them you won it on a bet.

Facing questions on the pricing of your home shouldn't be difficult if you have put serious effort into your asking price. If you based it on professional market value estimates, tell buyers that. Don't forget to point out recent sales of comparable homes and the improvements you've made. Competitive offers from other interested buyers is a constant concern for a home shopper. They may ask you about this, and you can always tell them there is interest, but nothing on paper.

Buyers may inquire as to why your home hasn't yet sold, and you can tell them you are waiting for the perfect buyer — them! Almost invariably, they will ask to know the lowest price you will take, or if the price is negotiable. Let them know you haven't had much time to think about that. In turn, ask what price they had in mind, adding "as long as the offer is negotiable."

Answer questions thoughtfully, without revealing too much. On the other hand, always attempt to get the other party to reveal their thoughts. Get them comfortable and talking.

Some real estate agents will want information from the listing agent. If a buyer agent contacts your agent, s/he may be looking to exchange sensitive information to get the sale. You and your agent should have many discussions on the subject of trust and power negotiating. The importance of trust between a seller and his/her agent cannot be overstated.

Chapter 13
The Dos and Don’ts of Negotiating

Simply put, selling your home is a business transaction. Although it is a multi-tiered process, it is still a buyer negotiating to purchase a seller’s home, for an agreed-upon price. You, as a seller, must keep this in mind. Opinions, emotions, and egos — on your part or the buyer’s part — could derail your efforts, so don’t be the transgressor. The more you know about negotiating, the better off you will be in getting the price you want for your home.

LET THE BUYER SPEAK FIRST

Let patience be your guide in dealing with an interested buyer. Don’t be anxious to tell them what you are willing to accept; it may be lower than what they were willing to offer. Like any sale transaction, buyers have a price in mind. Don’t lose out; let the buyer speak first.

DON'T "MEET IN THE MIDDLE"

Even in the simplest of sales transactions, agreeing on a price often includes “meeting in the middle.” For instance, a buyer speaks first and offers to buy an item for $150, when the seller is expecting to sell for $200. Most will split the difference and counteroffer $175. Instead, keep the splitting point in the seller’s favor by counter-offering $220, so that the midpoint is now $200. The buyer may take the offer or end up agreeing to $205, which is slightly more than what the seller planned to ask for.

Maximize your negotiating advantage by counter-offering in small increments. Avoid following your inclination to “meet in the middle.”

DO NEGOTIATE WITH DATA

Hiring a great real estate agent who will push to get the best price for your home is...priceless. You need an agent who will negotiate based on real data and not perceived worth. When negotiating, it’s important for you and your agent to be experts on the listing but also to be knowledgeable about the buyer and their level of motivation. You have to trust your agent to keep your level of motivation to himself but know that agents are human, and they do share a level of camaraderie and may share information in conversation that would be best kept under wraps. Be open and honest with your agent, and have this discussion. You have to be able to trust that he will keep your best interests his priority.

As a seller, using the CMA to negotiate a price is a sound practice. A CMA is not an opinion or an emotionally based guess. The figure is based upon fact. Your price must be justifiable, and your agent should be competent in performing the CMA. Buyers’ agents will attempt to sway the seller’s agent, if the seller’s agent is not knowledgeable enough.

DON'T LET A BUYER LOWBALL YOUR PRICE

Home buyers look for deals. Think how quickly you would jump at a home selling “below market value” and “in perfect condition” that meets your every need. That situation rarely happens, but that does not mean buyers won’t make lowball offers. If they see your house as the perfect home, they may suddenly switch their priority to negotiating a lower-than-market-value price. No matter how insulting or laughable their offer may be, keep your cool and maintain your position. If they truly like your home better than any others, why would they pay less for it? Keep focused, and negotiate accordingly.

DO BE QUIET AND LISTEN

Whether you are approached by the buyer or the buyer's agent, remaining quiet is one of the best ways to negotiate the sale. Developing a feel-good, friendly relationship with either the buyer or his agent might lull you into dropping your guard and can interfere with your focused efforts to sell your home quickly and for a good price. Buyers who are uncomfortable with your silence may want to break it and, in doing so, end up providing too much information, crucial for you to know. Again, the more knowledgeable you are about the buyer, the better poised you will be in negotiations.

DON'T BE MOVED BY AWKWARD SILENCE

When you are in negotiations and the buyer makes an offer, don't be compelled to respond immediately. Whether it be 10 seconds or 10 minutes, make the buyer or his/her agent speak first. They may see your silence as disappointment and choose to revise their offer or offer a concession just to break the silence. Conversely, do not let experienced negotiators use this same tactic to get you to accept successively lower offers without a counteroffer from you and your agent.

DO KNOW WHAT MOTIVATES THE BUYER

Sometimes buying agents will work to learn why you want to sell your home. Agents know that sellers want to go to escrow only once. If the buyer is advised to demand a lower price because of minor defects discovered during a third-party home inspection, they will use this as a negotiating tool. More importantly, an agent for the buyer may advise his client to offer the asking price in the full knowledge that minor flaws exist, only to later demand reductions and bring the offer down to what the buyer actually wanted to pay in the first place.

DON'T FREELY GIVE OUT YOUR INFORMATION

If you have multiple offers on your home, the price isn't always the bottom line. Sometimes, what you tell the buyer is advantageous to his offer.

For example, let's say that you have two interested buyers. One buyer offers full asking price, but tells you he needs a few months to close in order to get financing or to get inspections done, etc. The other buyer casually asks why you are selling, and you offer crucial information that leads the buyer to offer $10,000 less than your asking price — but to agree to close quickly, without any financial or inspection-related contingencies. While the first buyer offered more money, the second buyer was more appealing, time-wise. If you were under a time constraint, the buyer solved your problem. How did the buyer know about the time constraint? You may have unwittingly disclosed it in an earlier casual conversation when he asked why you were selling.

DO GET THE LAST CONCESSION

Remaining calm and focused during the counter offers is the key to getting the last concession. By asking the buyer to give something in return every time s/he comes back with another request, s/he will start backing away from making nonessential demands, rather than deal with the same thing coming from you. The less s/he thinks s/he can get, the less s/he will ask for, beyond what s/he really needs. S/he may be afraid you will request a concession that is important to him/her and come to the conclusion that letting you have the last concession will be in his/her own best interests.

DON'T LET THE BUYER FLOOD YOU WITH CONCESSIONS

When a buyer submits an offer to you, unless it is a great one, you will want to bring counteroffers to the table. A different price and/or concessions such as shorter closing dates, terms, modifications of contingencies, incentives, etc., will enter into the picture. When reviewing the offer, carefully note any items that are unacceptable to you. A counteroffer is used, in effect, to accept some (or most) of the terms of the buyer's latest offer, while modifying other items. Since there is no limit to the number of counter offers that can be made, make the buyer wait for your response. Your eagerness to respond may be interpreted as desperation on your part, which may in turn give the buyer more leverage.

DO MAINTAIN A BUSINESSLIKE DEMEANOR

Remind yourself that you want to sell your home for the best price and in the shortest time. Seller/buyer relationships come in all shapes and sizes, but no matter what follows, selling your home is a legal, documented, court-recorded business transaction. You don't get emotionally involved when buying a bag of oranges, but selling a home has a way of becoming emotional and triggering irrationally negative responses. If the buyer has an inflated ego and acts like a know-it-all, don't let it affect you. Likewise, if the buyer comes off as the sweetest, kindest, but perhaps most financially troubled person you've ever met, don't let your internal empath dissuade you from pursuing your goal of getting the best price for your home.

Stay on your toes, even if the sale is going along seamlessly. Sometimes, no news isn't good news. It can just as easily be an indication that the buyer might back out of the deal. There has to be a certain amount of discussion on the part of both parties to keep the buyer from jumping ship, or the seller feeling seller's remorse.

DON'T LET YOUR EGO GET THE BEST OF YOU

There may come a time when you think about all the money, labor, and time you've invested in getting your home sold. You reflect upon all of the hours spent cleaning, maintaining, staging, and showing your home. You bristle when faced with buyers who are critical, demanding, or rude. Responding in kind can break a deal, so learn to deal with potential home buyers objectively. Don't let your ego get in the way of a good deal.

Chapter 14
Bargaining Chips

Selling is the name of the game. In the previous negotiation chapters, we learned that counteroffers by potential buyers sometimes include certain personal property, like appliances, custom lighting fixtures, or window treatments, because these items are essential to the house and are expensive to purchase new.

As a seller, you can also use extras as bargaining chips. You can make counter offers that include appliances and other contents, as incentives for the bidder to increase his price. This is a particularly useful strategy when demand for homes in your neighborhood is weak and prices are low.

When you are selling your home, consider what you are willing to throw in to sweeten the deal and what items are off-limits.

Here are some items you may want to think about to use as leverage:

Major appliances: washer, dryer, fridge, stove, dishwasher
Draperies, curtains, blinds, and shutters
Custom-built furniture: bookcases or shelves that fit a particular spot in the house
Area rugs that fit a particular room
Barbeque
Patio furniture: planters, garden benches, and ornaments
Garden shed
Lawnmower, power washer, leaf vacuum, or other maintenance equipment
Recreational equipment, such as ping-pong and pool tables, above-ground pools, trampolines, climbers, swing sets, and hot tubs

The decision process is relatively simple if you consider what items you are willing to part with, based on how easy or difficult it will be to move them. Also consider how often you use more movable items and the cost of moving them versus the cost of replacement.

There are many kinds of incentives you can offer, and many buyers may request an incentive in the transaction. It’s all part of the negotiation.

Buyer requests or seller incentives may include:

Reduction of the asking price
Seller-paid points
Help with the down payment
Help with closing costs
Offering to close in a short time
Offering or transferring a home warranty
Prepaid property taxes for one year
Payment of HOA fees or landscaping and pool maintenance
Offering a mortgage buy-down

The list is as long as the agent is creative, so discuss each of these with your listing agent before agreeing with a buyer. Be sure to spend the time working on these possibilities and putting them in your arsenal of negotiation tactics.

NOTE: There may be restrictions imposed upon the real estate agent because of agency laws; there are also lender limits on buyer credits, and they MUST be properly disclosed, so be sure to stay within the limit of the laws.

KNOW WHY HOMES DON'T SELL

Homes that don't sell for extended periods of time are usually priced too high for the neighborhood. Strategic pricing will always be the top reason homes sell successfully.

Here is a list of other reasons why homes don't sell.

- The home is too cluttered. Piles and stacks of stuff discourage buyers.
- The home interior is dated. Old colors and old flooring deter sales, so do any upgrades necessary to freshen up the decor.
- The homeowner is not flexible with showings. Plan ahead to ensure kids, pets, and you are ready to show at any time.
- The market is not favorable at listing time. Deciding to list at another time may be the best option.
- The home is located in an abandoned development.
- The real estate agent did not provide a sufficiently aggressive marketing plan.
- The real estate agent did not perform the Comparative Market Analysis correctly and failed to provide strategic pricing for the home.

Chapter 15
Serious Considerations

There are a few things you need to consider in order to avoid trouble when selling your home.. To eliminate any misunderstandings by you, your agent, or an interested buyer, discuss this list of potential trouble spots with your trusted agent.

- **Selling your home before you are qualified to buy another** — financial situations change along with loan requirements, so make sure to be prepared.
- **Guessing your mortgage payoff** — be aware of any penalties that may be involved in paying off your mortgage.
- **Underestimating closing costs** — calculate fees, taxes, and commissions to be paid, and understand that remaining proceeds will be divided as agreed.
- **Spending earnest money** — if the sale falls through, what happens to the money? Avoid stress and hassle by working out these details ahead of time.
- **Befriending potential buyers** — if you confide personal reasons for selling your home, they may assume you are desperate to sell, and that can affect the sale of your home. Make sure you and your Realtor® agree to both keep an eye out to avoid this pitfall!
- **Low appraisals** — you have options if this happens. Sometimes, judges will determine the value of a home, but most appraisals done by professionals are reasonable, so have a plan with your Realtor® for how to respond if you get hit with a low appraisal.
- **Inspection requirements** — know what is expected for your home to pass a home inspection.
- **Prepare for closing** — your agent (and lawyer depending on the state you reside in) will — or at least should — inform you of what to expect.
- **Flexibility and readiness to show home** — You really can't say "no" to a showing, so get your home in show-ready condition, and keep it that way so that unexpected showings don't send you into a panic.
- **Leave during showings** — buyers prefer to view homes without the seller present. Your agent will be there to field any questions, so if you have any you really want to add to their list, make sure to discuss them beforehand.
- **Weed out unqualified buyers** — you are well within your rights to request only qualified home buyers view your home. If they are not eligible, even for creative financing, it is a waste of everyone's time — especially yours.

Chapter 16
Ending Thoughts

Thank you for taking the time to read this book! I hope it has given you good information and helped you understand the home-selling process. My goal is to help you go forward with a new life by respecting your privacy, listening to your needs, and doing my best to make this transition as smooth as possible.

I am more than happy to provide you with a Comparative Market Analysis and would be honored to serve as your listing agent.

Warm regards,
Mickie Giacomini, Realtor®
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Appts: calendly.com/mickie-giacomini

Share with a friend who is considering buying a home:

ABOUT THE AGENT

"Dave and I were two young kids without much, when we began our journey in real estate. We knew early on in our marriage that it was just the two of us against the world. But we were raised to work hard, save and make good choices. We spent the next 30+ years in consumer/investor real estate. We have fixed and we have flipped and we still do so with our Fix & Flip Team. We own rental properties and we own property internationally. It is what we do. It is our passion. Now we are proud that our adult children have learned along the way and are also real estate enthusiasts! (In fact, one is a fellow realtor)!. We have lived through the 2007 catastrophe and survived it—but yes, we did get caught in that mess..and that my friends, is a whole other book! We know the anguish, first hand of houses falling out of escrow, and discovering issues with a property that we thought was our dream–only to be a nightmare. We;ve seen and experienced a great deal in 30 years. So it is this experience we bring to our clients, to help them navigate the sometimes choppy waters of real estate, with the sole purpose of matching people with properties."

This story perfectly sums up the kind of agent Mickie is, and the type of agent she continuously strives to be for her clients. Mickie was taught at a young age that if you want something in life, you have to work for it. So that's what she did. And she worked hard.

Mickie was raised on a little farm in Bakersfield with her sister. As a child, Mickie had aspirations of being a television reporter, and is a journalist still today. Never in a million years did she think she'd stumble into the real estate industry, but you can’t always predict where or when you’ll discover what you’re meant to do in life.

As the years went by, Mickie worked her way from reporter to Communications/Marketing Specialist, never wavering in her resolve to become the best version of herself with each career move. In fact, she held parallel careers most of her life, and has over 22 years of experience in Education as a teacher, principal and Director of Communications and Marketing.

Mickie got into the real estate industry over 30 years ago when she and her husband realized the only way to build wealth through something they understood, was through real estate. She set out to help others do just the same!

As her career advanced, Mickie found her stride working with all sorts of buyers and sellers, but at this stage in her life, she finds herself working a great deal with real estate investors–especially those seeking out turn & burn flip properties and rental properties. She’s a specialist in these areas greatly due to her vast experience and know-how.

Mickie aims to provide the highest level of service to her clients and takes deep pride in helping them achieve their real estate goals.

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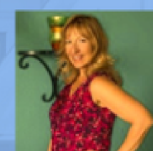
HOW TO
SELL HOMES
FAST FOR
TOP DOLLAR

Are you ready to tap into the best-kept secrets of successful home sellers? You can sell any home in any market when you know these secrets. This book reveals the most effective tactics to get the most money out of your home in the shortest amount of time. These strategies have helped sell thousands of homes, and now, you have them all at your fingertips.

The strategies in this book have been thoroughly tested and proven effective time and time again. Don't miss out on this opportunity to learn tips and tricks employed by the wealthiest home sellers!



In this book, I've provided an effective guide for you to have the most successful real estate transaction possible. If you don't have time to implement all of the strategies discussed in this book, I'd be more than happy to provide my expertise and services to help you buy or sell your home.

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